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# A List of Things to Watch

By Mike Causey  
Washington Post Staff Writer

**C**ongress returns this week from a monthlong vacation with a long list of proposed bills that would make life better, worse and/or very different for federal employees.

The shopping list includes the size of the next pay raise, the cost of catastrophic health protection for retirees, greater political freedom for federal workers and a return to the days when federal retirees enjoyed a tax-free period after retirement.

Here's a thumbnail sketch of some of the issues:

■ Medicare premiums for millions of retirees, both federal and private, would jump dramatically under a House-passed plan to provide catastrophic health insurance coverage for persons 65 and older.

Under the House plan, the protection would be financed by a new, higher Medicare premium that would be based on a retiree's taxable income. Individuals whose primary source of income is Social Security would be least hard hit, because those benefits are not taxable. Government and private-sector retirees whose pensions are taxable would pay the highest premiums. Because most federal retirees already have catastrophic protection as part of their health insurance plan, the benefit would mean little to them. But they would still be required to pay the higher premiums.

Retiree groups and federal and postal unions will try to persuade the Senate to modify the catastrophic health plan to make it optional, so that retirees who already have the coverage wouldn't have to pay more for duplicative benefits.

■ President Reagan's proposed 2 percent January pay raise for white-collar federal workers is far from a sure thing. The Senate and the House have

tentatively approved a bigger raise—3 percent—as part of their budget reconciliation packages. If they are approved, federal workers would get an extra 1 percent raise in January with another raise due them in October 1988.

■ Federal and postal workers, whose partisan political roles are now limited by the Hatch (no politics) Act, would be allowed to take active roles in campaigns under proposed legislation that has a good chance of winning congressional approval. Since 1939, government employees have been barred from running in partisan political campaigns or acting as campaign managers for candidates. Rep. William Clay (D-Mo.) is sponsoring the Hatch Act revision bill, which, for the first time, is picking up support from Republican members. Congress watchers believe the bill will pass the House and the Senate this year but probably faces a presidential veto.

■ The tax on federal annuity payments now imposed immediately after retirement would be repealed, and retirees would regain a tax-free pension recovery period under legislation by Rep. Mary Rose Oakar (D-Ohio). Despite having more than 200 cosponsors in the House, the bill probably won't be passed this year.

■ A proposal by Sen. William V. Roth (R-Del.) to open a special three-month early retirement window this year to several hundred thousand U.S. workers is still pending. But opposition from federal and postal unions and the Democratic leadership means this bill isn't going anywhere unless a budget crunch later this year triggers massive federal layoffs.

■ Congress may also tackle a complex plan to reform the federal pay system by allowing agencies and supervisors greater leeway to set pay for some employees.

HR 20  
HR-21

HR 388  
+  
S-376

← S-42

10 bills  
are proposed

HR 65

S-210